

INVESTMENT
DIVISION

JAN 22 1940

RECEIVED

INTERNATIONAL SHOE Co.

MANUFACTURERS

1501-1509 Washington Avenue

St. Louis, Mo.

FINANCIAL STATEMENT

November 30, 1932

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INTERNATIONAL SHOE Co.

MANUFACTURERS

1501-1509 Washington Avenue

St. Louis, Mo.

FINANCIAL STATEMENT

November 30, 1932

OFFICERS

FRANK C. RAND	Chairman of the Board
WILLIAM H. MOULTON	President
HORTON WATKINS	Vice-President
JAMES T. PETTUS	Vice-President
PAUL B. JAMISON	Vice-President
OLIVER F. PETERS	Vice-President
THEODORE MORENO	Vice-President
C. D. P. HAMILTON	Vice-President
ANDREW W. JOHNSON	Vice-Pres. and Treasurer
BYRON A. GRAY	Secretary and Auditor
WILLIAM N. SITTON	Assistant Treasurer
ALBERT H. JENKINS	Assistant Secretary

DIRECTORS

ROBERT E. BLAKE	ROBERT L. JORDAN
EDGAR L. BLAND	WILLIAM H. MOULTON
CLARENCE H. FIELDER	OLIVER F. PETERS
ARTHUR B. FLETCHER	JAMES T. PETTUS
BYRON A. GRAY	FRANK C. RAND
H. ROY GREEN	JOSEPH O. RAND
EDWARD J. HOPKINS	CARLOS REESE
FRED HUME	WILLIAM N. SITTON
LEWIS B. JACKSON	DICKSON S. STAUFFER
PAUL B. JAMISON	SAMUEL M. TIPTON
H. EDGAR JENKINS	GRIFFIN WATKINS
ANDREW W. JOHNSON	HORTON WATKINS
H. EUGENE JONES	

December 30th, 1932.

TO OUR STOCKHOLDERS:

Financial report showing the results of the International Shoe Company's operation for the fiscal year ended November 30th, 1932, is enclosed herewith.

Net sales to customers were \$65,488,662.17, compared to \$86,802,293.95 last year. Our factories produced 38,989,916 pairs of shoes against 44,807,238 last year.

Subsidiary plants (tanneries of sole leather and upper leather, textile mill, factories making all leather counters, heels and soles, rubber heels and soles, welting, box toes, cartons and containers, chemicals, cement, etc.) produced during 1932 shoe materials and shoe supplies amounting to \$31,244,112.91, which, combined with our sales, made an aggregate of \$96,732,775.08 business transacted.

For the third successive year a declining market has prevailed on hides and leather—the low price on hides being reached in the late summer. On a declining market merchants are reluctant to buy, and lower prices reduce dollar volume of sales. These two important factors are reflected in our volume for 1932 as compared with 1931.

The first eight months of 1932 showed a decrease in sales and production; but the last four months have shown a substantial increase in pairs of shoes sold, while production was practically the same as for the corresponding period of 1931.

Net earnings (after taxes) for the fiscal year were \$6,647,527.36, which (after payment of preferred dividends) represent an earning of \$1.80 a share on the 3,350,000 shares of Common Stock outstanding at the close of the year.

On December 6th, a quarterly dividend of fifty cents per share was declared on the Company's Common Stock—payable January 1st to stockholders of record December 15th.

During the year 160,000 shares of Common Stock have been acquired and placed in the Treasury—thus reducing dividend requirements \$320,000 per annum at the present dividend rate.

The Company's strong financial position has been maintained—its cash at the end of the year amounted to \$22,764,059.13 and its ratio of Current Assets to Liabilities—19½ to 1—remains practically the same as at the close of the past two years. Your Company has borrowed no money for the past five or six years.

On the lower hide market our supply of hides and skins has been gradually increased; and we have begun the new fiscal year under favorable circumstances that permit us to make lower and attractive shoe prices with little or no inventory depreciation.

For more than a quarter of a century the Company has jealously guarded the integrity of its products. In so doing we have created the priceless asset of confidence and good-will among the many merchants and consumers who buy International shoes.

Our great business has been built on the basis of quality and service; and this sound principle has given to the Company an earning capacity that continues and attracts favorable attention during this period of difficult operations.

Without being able to predict what the immediate future may bring, the Company's financial strength and productive ability place it in position to meet any situation with confidence and faith.

Respectfully submitted,

INTERNATIONAL SHOE COMPANY,

Frank O. Rand *W. H. Moulton*

Chairman of the Board.

President.

INTERNATIONAL

CONSOLIDATED

As at Nov

ASSETS

CURRENT ASSETS:

Cash in Banks and on Hand.....	\$22,764,059.13	
Accounts Receivable:		
Customers, less Reserve for Discounts and Doubtful Accounts.....	\$ 12,886,359.57	
Salesmen's Traveling Advances and Sundry Accounts.....	58,579.27	12,944,938.84
Inventories at Lower of Cost or Market:		
Manufactured Merchandise.....	\$ 6,748,796.68	
Raw Materials, Merchandise in Proc- ess, and Supplies.....	9,551,780.28	16,300,576.96
TOTAL CURRENT ASSETS:.....	\$ 52,009,574.93	
Expenses Paid in Advance—Insurance Premiums, Taxes, and Other Deferred Charges to Operation.....		379,847.10
Employees Notes Receivable (Under Installment Plans for Purchase of Common Stock) Secured by 51,800 Shares of Common Stock.....		906,380.28
Company's Own Common Stock—20,034 Shares at Cost.....		586,453.42
Investment in Five Per Cent. Debentures and Capital Stock of Associated Company (Debentures \$6,000,000.00).....		6,085,000.00
Investments in Stocks and Bonds of Other Companies, Etc....		331,127.28
Physical Properties at Tanneries, Shoe Factories, Supply De- partments, and Sales Branches (Based on Appraisal as of April 30, 1925, plus subsequent Additions at Cost):		
Land and Water Rights.....	\$ 2,086,526.98	
Buildings and Structures.....	23,469,405.82	
Machinery and Equipment.....	17,968,219.84	
Lasts, Patterns, and Dies.....	1.00	
TOTAL.....	\$ 43,524,153.64	
Less—Reserve for Depreciation.....	17,232,104.08	
Net Depreciated Sound Value of Physical Properties.....		26,292,049.56
TOTAL.....	\$ 86,590,432.57	

SHOE COMPANY

BALANCE SHEET

number 30, 1932

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable for Merchandise, Expenses, and Payrolls.....	\$ 1,398,739.19
Officers and Employees Balances and Deposits.....	181,019.94
TOTAL.....	\$ 1,579,759.13
Reserve for Federal Income Taxes.....	1,090,000.00
TOTAL CURRENT LIABILITIES.....	\$ 2,669,759.13
Reserve for Dividends on Preferred Stock.....	50,000.00
Insurance Reserves.....	412,797.81

CAPITAL STOCK:

Preferred Stock—6% Cumulative:

Authorized 250,000 Shares of \$100.00 each, whereof Outstanding—	
100,000 Shares.....	\$ 10,000,000.00

Common Stock:

Authorized 4,000,000 shares without Nominal or Par Value:

Issued.....	3,760,000 shares	
In Treasury	410,000 shares	
Outstanding....	3,350,000 shares	67,000,000.00
Earned Surplus.....		6,457,875.63
TOTAL CAPITAL AND SURPLUS.....		\$ 83,457,875.63
Contingent Liabilities—None Reported.		
TOTAL.....		\$ 86,590,432.57

INCOME ACCOUNT

For the year ended November 30, 1932

Net Sales of Shoes and Other Manufactured Merchandise, after deduction of Returns and Allowances for Prepayments.....	\$ 65,488,662.17	
Cost of Shoes and Merchandise Sold, after charging Operating Expenses, Maintenance of Physical Properties, Selling, Administrative, and Warehouse Expenses, and Credit Losses, less Discount on Purchases.....	\$ 56,712,579.79	
Depreciation of Physical Properties.....	1,696,198.25	58,408,778.04
NET OPERATING PROFIT.....	\$	7,079,884.13
Miscellaneous Income.....		650,036.05
NET EARNINGS.....	\$	7,729,920.18
Provision for Income Taxes.....		1,082,392.82
NET INCOME FOR YEAR.....	\$	6,647,527.36

COMMON STOCK CAPITAL AND SURPLUS ACCOUNT

Common Stock Capital and Surplus, as at November 30, 1931:		
Common Stock Capital (Outstanding 3,510,000 shares)	\$ 70,200,000.00	
Earned Surplus.....		12,516,100.14
TOTAL.....	\$	82,716,100.14
Deduct—Cost of 160,000 shares of Common Stock placed in Treasury.....		5,993,255.62
		\$ 76,722,844.52
Net Income, for the year ended November 30, 1932.....		6,647,527.36
		\$ 83,370,371.88
Dividends Paid:		
Preferred Stock, \$6.00 per share.....	\$ 600,000.00	
Common Stock, \$2.75 per share.....	9,625,000.00	
	\$ 10,225,000.00	
Less—Dividends on Common Stock in Treasury.....	312,503.75	9,912,496.25
Common Stock Capital and Surplus, as at November 30, 1932..	\$	73,457,875.63
Divided as Follows:		
Common Stock Capital (Outstanding 3,350,000 shares).....	\$ 67,000,000.00	
Earned Surplus.....	6,457,875.63	\$73,457,875.63

INTERNATIONAL SHOE COMPANY,
St. Louis, Missouri.

We have examined the accounts of the International Shoe Company and Subsidiaries for the year ended November 30, 1932. In our opinion, based on our examination and information furnished to us, the accompanying Consolidated Balance Sheet and relative Income and Surplus Accounts set forth the consolidated financial condition of the Company as at November 30, 1932, and the result of the operations for the year.

PEAT, MARWICK, MITCHELL & CO.

St. Louis, Missouri,
December 24, 1932.

SALES BRANCHES

ST. LOUIS

Roberts, Johnson & Rand
Peters
Friedman-Shelby
Continental Shoemakers
Pennant Shoe Co.
Vitality Shoe Co.
Queen Quality Shoe Co.
Dorothy Dodd Shoe Co.

NEW YORK

Morse & Rogers

BOSTON

Hutchinson-Winch

MANCHESTER, N. H.

Great Northern Shoe Co.
Interstate Shoe Co.

SHOE FACTORIES AND SUBSIDIARY PLANTS

MISSOURI

St. Louis
Hickory St. & Mississippi Ave.
Broadway, Cherokee St. & Lemp Ave.
St. Louis & Jefferson Aves.
Thirteenth & Mullanphy Sts.
Twelfth & North Market Sts.
Jefferson Ave. & Madison St.
8417 Locust St.
Bland
Cape Girardeau
De Soto
Hannibal
Seventh & Collier Sts.
S. W. Cor. Maple Ave. & Collier St.
S. E. Cor. Maple Ave. & Collier St.
Hermann
Higginsville
Jackson
Jefferson City
Bolivar & McCarty Sts.
Main & Linn Sts.
Kirksville
Marshall
Mexico
Perryville
St. Charles
St. Clair
Sikeston
Sullivan
Sweet Springs
Washington
Windsor

ILLINOIS

Anna
Belleville
Chester
Evansville
Flora
Jerseyville
Mt. Vernon
Olney
Pittsfield
Quincy
Springfield
Steeleville

NEW HAMPSHIRE

Claremont
Keene
Manchester
Nashua
Newport

KENTUCKY

Paducah

ARKANSAS

Malvern

TANNERIES

ILLINOIS

South Wood River

MISSOURI

St. Louis
Thirteenth & Mullanphy Sts.

NEW HAMPSHIRE

Manchester
Merrimack

NORTH CAROLINA

Morganton
North Wilkesboro

PENNSYLVANIA

Mt. Jewett
Philadelphia

